



UA-0658

Second Year B. Com. (Honourse) Examination

March/April – 2012

BC-24 : Cost Accounting

Time : Hours]

[Total Marks : 70

Instructions :

(1)

नीचे दृश्यावेक निशानीवाणी विगतो उत्तरवही पर अवश्य लपवी. Fillup strictly the details of signs on your answer book.	Seat No. :
Name of the Examination :	<input type="text"/>
Second Year B. Com. (Honourse)	<input type="text"/>
Name of the Subject :	<input type="text"/>
BC-24 : Cost Accounting	<input type="text"/>
Subject Code No. : 0 6 5 8	Section No. (1, 2,.....): Nil
Student's Signature	

(2) Each question having 10 marks.

(3) Figures to the right hand side indicate full marks of the question.

1 Write answer of the following questions. 10

(i) From the following information calculate under Halsey plan and Rowan plan. 3

- (a) The bonus earned
- (b) The total earnings
- (c) Rate of earnings per hour

Time taken for a job 9 hours

Time saved 40%

Hourly rate Rs. 10

- (ii) A truck started its journey from Valsad to Ahmedabad 4 with a load of 12 tonnes, 3 tonnes were unloaded at Vadodara and further 2 tonnes at Nadiad. At Mehmdabad a fresh load of 5 tonnes was loaded. It was fully unloaded at Ahmedabad.

On its return journey it started with 8 tonnes from Ahmedabad, which was fully unloaded at Vadodara. A fresh load of 11 tonnes was taken from Vadodara which was unloaded at Valsad.

Distance from Vadodara – Valsad 200 km, Nadiad 70 km, Mehmadabad 115 km, Ahmedabad 140 km.

Calculate tonne/kms for the journey.

- (iii) Find out E.O.Q. from following information. 3

Annual Consumption 20,000 units

Cost per unit Rs. 32

Insurance expenses per unit Rs. 2.40

Interest expenses per unit Re. 0.80

Storage expenses per unit Re. 0.80

Cost of placing each order Rs. 50

- 2 C, B and D carry on business in partnership sharing 10 profit and losses equally. C devotes to the business only so much time as thinks fit. B acts as factory manager and D as office manager. The following information for the month of January 2012 is provided.

Particulars	Rs.
Purchase of raw material	4,95,000
Direct wages	3,20,000
Indirect wages	40,000
Office Salaries	93,900
Carriage Inward	3,000
Carriage Outward	28,000
Sales	16,00,000
<i>Opening stock</i>	
- raw material	1,75,000
- Finished goods (600 units)	45,000
- Work in progress.....	65,000
Travelling expenses	12,000
Interest on capital C Rs. 15,000; B-Rs. 8,000; D-Rs. 7,000	30,000
Advertising	30,000
Power	10,500
Income-tax	95,000
Selling Expenses	45,000
Plant Maintenance	36,600
Rent and Lighting	
($\frac{9}{10}$ th for factory)	10,000

Discount received	3,000
Bad Debts	5,000
Sundry Expenses (Factory)	14,000
Sundry Expenses (Office).....	26,000
Building repairs	1,000
Partners' Salary - B - Rs. 12,000; D - Rs. 10,000 ...	22,000

Depreciation

- Plant	19,000
- Building	8,000
Sale of scrap	4,000
Building expenses	12,000

On 31.1.12 raw material on hand was Rs. 1,90,000; work-in-progress in hand was Rs. 77,000, 15,000 units were produced out of which 700 units remained unsold. Prepare cost statement and find out profit per unit.

- 3** A machine was purchased on 1st April, 2011 for Rs. 5 lacs. **10** The total cost of all machinery inclusive of the new one was Rs. 75 lacs. The following further particulars are available.

Expected life of the machine 10 years.

Scrap value at the end of life Rs. 20,000

Repairs and maintenance for the machine during the year 4% of depreciation. Expected number of working hours of machine per year 4,000 hours. Insurance premium annually for all the machines Rs. 6,000. Power consumption for the machine per hour (at Rs. 0.91 per unit) 20 units.

Area occupied by the machine 100 sq.ft.

Area occupied by other machine 1,500 sq.ft.

Rent per month of the department Rs. 800

Lighting charges for 24 points for the whole department, out of which four points are for the machine, Rs. 100 per month. Forman's salary is Rs. 340 per month.

Compute the machine hour rate for the new machine on the basis of the data given above.

- 4 A work order passes through two processes. The product of first process less wastage and by-products becomes the raw material for the second process. All by-products sold off direct from the factory. **10**

	First Process	Second Process
Raw Materials	2,000 tons at Rs. 15 per ton	--
Wages	Rs. 50,000	Rs. 60,000
Factory Overheads	50% of wages	80% of wages
Wastages	20 tons	15 tons
Sales of by-product	380- tons	100 tons
	Cost plus 20%	Cost plus 30%

Prepare accounts for the first and second process. You make take cost per unit upto two decimal points for calculation of sale of by-product.

- 5 (a) The following information is available in respect of material of Kinjal Ltd. 6

Particulars	2010-11	2011-12
(i) Opening Stock	Rs. 35,000	(?)
(ii) Purchases	Rs. 985,000	(?)
(iii) Average Stock	Rs. 30,000	Rs. 40,000
(iv) Turnover rate	(?)	8 times

From the above information, find out

For the year 2010-11

- (i) Closing Stock
- (ii) Material Consumption
- (iii) Material turnover rate
- (iv) Material turnover in days

For the year 2011-12

- (i) Closing Stock
- (ii) Material Consumption
- (iii) Purchase
- (iv) Material turnover in days

- (b) Give the meaning and importance of material control. 4

- 6 Following is the Trial Balance of Jiten Contractor Ltd. 10
as on 31.3.2012.

Particulars	Debit Rs.	Credit Rs.
Equity share capital		5,00,000
Personal Accounts	50,000	70,000
Building (at cost)	2,50,000	---
Cash in hand	35,000	--
Cash received from contractee	--	4,50,000
(Being 60% of work certified)		
<u>Contract Account :</u>		
Material issued	3,00,000	--
Machinery on 1.4.2011 at cost	1,00,000	--
Direct Labour	1,80,000	--
Indirect expenses	1,05,000	--
	10,20,000	10,20,000

The work on contract commenced on 1.4.2011. Contract price was Rs. 15,00,000. Out of machinery sent on site, 25% machinery was of special nature. All the special machinery and material costing Rs. 7,000 were burnt by fire on 30.6.2011. The insurance company admitted 80% amount of claim for the loss.

On 31.3.2012 20% ordinary machinery was returned to stores, stock of material amounted to Rs. 8,600 and the cost value of work uncertified was Rs. 1,50,000, unpaid wages amounted to Rs. 20,000 and prepaid indirect expenses were Rs. 4,000.

Depreciation is provided on machinery 12% and on building at 10% per annum.

Prepare contract A/c. for the year 2011-12 and calculate profit on cash basis.

7 Write short notes : (any **two**)

10

- (i) Reconciliation of cost and Financial Account
 - (ii) Characteristics of operating costing.
 - (iii) Normal and Abnormal Wastage
 - (iv) Over time
 - (v) Overview of Integrated accounting system.
-